Policy of cooperation with auto industry outlined at ESV conference in, appropriately, Japan

NHTSA changes approach to safety research management

By Helen Kahn
Washington Bureau Chief

KYOTO, Japan.—The change in the management approach in automotive safety research by NHTSA was announced during the Ninth International ESV Conference in Japan by Michael Finkelstein, NHTSA's associate administrator for R&D.

In order to introduce research results as early as possible into production cars, NHTSA has set up a cooperative research program, concentrating on transfer of technology. It has redirected a program to address safety improvements in subsystems, and it is giving more attention and priority to the crash avoidance area.

Finkelstein also explained that the cooperative program with the domestic industry was being expanded to include the European Experimental Vehicles Committee and the Government of Japan.

In the crash avoidance area, Finkelstein noted NHTSA is stressing improving mirror systems, rear lighting systems, driver operated controls, headlighting, brake systems and vehicle stability and generally looking at the different dynamics and geometrics associated with the new breed of smaller vehicles.

So far, work on rear lighting shows that rear-end car crashes can be reduced by more than half by using a single, high-mounted brake light.

Research is under way to find ways to reduce rear-end truck collisions, specifically "identifying means to increase heavy truck conspicuity using both reflectorization and signal lights that could be fleet tested to determine their real-world effect on accidents."

• Past NHTSA research has shown the feasibility of upgrading mirror systems, and Finkelstein noted that one vehicle class expected to benefit would be vans.

NHTSA's headlight research program addresses the light distribution pattern of low beams, and one beam pattern seems to be able to raise visibility distance without significantly increasing glare for oncoming drivers. NHTSA will evaluate this low-beam pattern by comparing it with typical U. S. and European beam patterns.

In the area of brakes, NHTSA is assessing a prototype electrohydraulic motorcycle antilock brake system. Work is also being done to develop a new test procedure for the federal safety standard for motorcycle brakes —refining general test equipment and developing a new wet brake fade and recovery procedure.

Two programs dealing with car stability have been completed. One analyzed the effects of mixing various tire types, sizes and makes and produced a system rate tire lateral performance. The other used scale model wind tunnel tests to analyze the effects of crosswinds on car-trailer combinations.

• Finkelstein added that NHTSA plans future research into the differences in stability and braking of the new smaller vehicles vis-a-vis older full-size ones—focusing on problem areas such as rollover propensity of small cars and their lateral spinout characteristics under extreme braking conditions.

In addition, a parametric analysis of factors affecting heavy-truck stability will be concluded soon.

In the area of heavy-truck safety, Finkelstein said current research is nearing completion in the following areas:

1. Evaluation of truck splash and spray suppression devices to improve visibility for all drivers on wet roads.

2. Assessment of vehicle deceleration technique, mobile traction dynamometer and indoor flat roadway tests to produce repeatable tire traction measurements.

3. Evaluation of the performance characteristics and in-service costs of retarders for heavy vehicles, including how to measure controllability of retarder-equipped vehicles and how to teach drivers to get the best safety benefits from retarders.

4. Development of baseline truck driver anthropometric and seating preference data in cooperative effort with industry and labor.

In addition to NHTSA's new work attacking drunk driving and increasing use of seat belts, the agency is also fostering international harmonization of vehicle safety standards so long as that does not interfere with legal requirements and procedures the agency must follow and so long as that does not compromise safety in the U. S.

• As Finkelstein explained, there are four levels where standards can be harmonized:

1. Standards of different countries can be made compatible to ensure that cars can comply with all standards without altering design or construction.

2. The same test procedures can be used to reduce compliance costs.

3. Levels of performance and specifications can be made compatible or the same.

4. Ways to determine compliance, whether by homologation, self-certification, or otherwise, can be made the same.

Finkelstein added that since the Administration is engaged in "regulatory reform" and because it is considering new standards in the area of side-impact protection, pedestrian protection, truck rear-underride protection, center high-mounted stop lamps and headlighting, NHTSA is in a good position to foster harmonization.

Chrysler tries to crack tough market

Spend big to sell small in California

By Joseph Bohn
Marketing Editor

Chrysler's special California marketing program was expensive. No doubt about it.

Chrysler Corp. spent $10 million in California in 1982, selling 8,000 Mitsubishi-built cars. That's $1,250 per car in marketing costs — or more than the company earned on the vehicles.

But the idea was to learn how to market vehicles to the unique California consumer and to "change the historical pattern" in which Chrysler has been selling imports nationally, said Victor Olesen, executive vice president of Kenyon & Eckhart's Los Angeles office.

The agency office handles not only the California program, but all Chrysler import advertising nationally.

Chrysler officials haven't made any final decisions about continuing the program in 1983 — but industry sources say it may be continued with modifications.

Olesen said, "If they don't win in California, they won't win anywhere. That goes for GM and Ford, as well as Chrysler."

All the domestics have made attempts to crack the market, with limited degrees of success. The feeling is that if they can crack the California market — in any way, shape or form — it represents real penetration gains, rather than cannabilizing the domestic-car market.

Meanwhile, Olesen considered it a triumph that "we sold every Mitsubishi they allowed us." He thinks under Chrysler's new import manager, Darryl Davis, more Mitsubishi cars will be shipped into the state next year.

Mitsubishi products accounted for only 2 percent of the 6 percent market penetration Chrysler has in California, which is far below its national average.

Chrysler sold only about 100,000 Mitsubishis nationally last year. But Olesen said, "Who knows how long the import quotas will stay on? But if we get 150,000 or 200,000 Mitsubishis, we want to sell a helluva balance in California."

Chrysler has gone through twists and turns, trying to market cars in California, according to former K&E sources associated with the program.

K&E research originally indicated that, because of the salt-free streets there, the company's old, gas-guzzling cars lived on much longer than in the Midwest and other high-rust areas.

It was (and to some degree, is) these cars upon which Cali-

Continued on Page 8, Col. 1

GM chooses Motorola to make AM stereo sets

By Roger Rowand
Engineering Editor

DETROIT. — General Motors has picked Motorola, Inc., to supply AM stereo systems that may appear as an option during the 1984 model year on some GM cars.

Only a very few stations broadcast in AM stereo, but the number is expected to grow rapidly in the years ahead.

Delco Electronics Division, Kokomo, Ind., GM's radio supplier, does not make the decoder needed for AM stereo.

An AM stereo radio receives only broadcasts from a transmitting unit made by the company that made the radio. In other words, one maker's radio will not decode another's signal.

Early in 1982 the Federal Communications Commission said it would not set standards for decoders and AM stereo systems. The marketplace would do that, the FCC said.

In April, Delco Electronics announced it would evaluate mobile systems for GM car divisions. It invited six makers of systems to participate and three accepted.

They were Motorola, the eventual winner; Harris Corp. and Magnavox Division of North American Phillips Corp.

The shape of the future?

An experimental hybrid sedan made its public debut at the international auto show in Birmingham, England. It is the work of Lucas Chloride EV Systems (the electric drive), Reliant Motor (gasoline engine and running gear) and Ogle Design (styling). The companies report that it could go into production within five years.

Deliveries of North American units plummet almost 33 percent

Domestic car sales slump in Canada

By Jenny L. King
Staff Writer

November sales of North American - built passenger cars in Canada suffered their sharpest decline since March, 32.63 percent from 1981, while truck sales fell 38.91 percent. Sales of both types of vehicles have been down every month of 1982 compared with 1981 totals.

November new-car sales totaled 41,021, down 32.63 percent from 60,886 last year. Year-to-date sales numbered 459,857, down 25.08 percent from 613,762. Truck sales in November reached 11,303 units, down 38.91 percent from 18,503. They were down 34.25 percent for the 11 months, to 148,582 from 225,978.

General Motors reported sales of 22,051 passenger cars in November, down 39.92 percent from 36,700 a year ago. Ford sales were 7,323 for the month, down 36.51 percent from 11,534.

Chrysler was down 11.65 percent, to 8,606 from 9,741. Volvo slipped 13.29 percent, to 587 from 677, and American Motors was up 9.85 percent, to 2,454 from 2,234. AMC sales included 722 imported Renaults this year compared with 979 in 1981.

GM's share of the November new-car market plunged to 53.76 percent from 60.28 percent. Ford slipped to 17.85 percent from 18.94 percent. Chrysler picked up more than four percentage points, rising to 20.98 percent from 16.00 percent. AMC was up to 3.98 percent from 3.67 percent, and Volvo was up to 1.43 percent from 1.11 percent.

All four major North American companies watched truck sales fall in November.

Ford suffered the greatest decline, down 45.35 percent to 3,728 from 6,821 last year. GM was down 37.89 percent, to 5,705 from 9,185. Chrysler dropped 26.64 percent, to 1,655 from 2,256, and AMC Jeep sales were down 10.79 percent, to 215 from 241. Truck sales include captive imports.

GM earned 50.48 percent of the truck market in November, up from 49.64 percent in 1981. Ford dropped to 32.98 percent from 36.87 percent. Chrysler was up to 14.64 percent from 12.19 percent and AMC edged ahead to 1.90 percent from 1.30 percent.

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58th year — No. 4947

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson Avenue, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

IH loss soars to $1.6 billion for fiscal 1982

CHICAGO.—International Harvester reported what is believed to be the largest three-month deficit in American corporate history in the quarter ended October 31, causing the struggling manufacturer a net loss of $1.64 billion for fiscal 1982, also one of the biggest.

In the final three months of its fiscal year, Harvester posted a net loss of $1.01 billion, which was larger than the quarter's sales of $979.5 million. A year ago, the deficit amounted to $318.9 million on revenues of $1.59 billion.

It was the third consecutive year of losses for the manufacturer of heavy trucks and farm equipment. Both markets have been in deep slumps since 1979.

In fiscal 1981, Harvester had a loss of $393.1 million on sales of $6.29 billion. Sales in 1982 dropped more than 30 percent to $4.29 billion.

Contributing to the higher deficit in fiscal 1982 were a $393.7 million loss from discontinued operations and restructuring costs of more than $440 million.

Harvester said the results also included a $42 million gain from foreign-currency translation, compared with $83 million in 1981, and an extraordinary cred-

Continued on Page 21, Col. 1

3406 conversion cuts fuel costs, Cat says

PEORIA, Ill. — Caterpillar Tractor Co. has introduced a kit to convert to direct fuel injection its 3406 truck diesels with precombustion-chamber fuel systems.

A spokesman estimated that the conversion will improve fuel economy 7 to 11 percent, increase the engine's resale value and provide improved cold-weather starting, better cooling and improved torque rise.

Wartime Jeep's buddy takes the wheel

Bill Mauldin, who immortalized the World War II Jeep in cartoons, is at the wheel of a 1941 military Jeep presented by AM General Corp. to the Army Transportation Museum in Fort Eustis, Va. With Mauldin are Lawrence H. Hyde, left, AM General president, and Maj. Gen. Harold I. Small, the fort's commanding officer.

AM General presents WWII Jeep to museum

FORT EUSTIS, Va. — Bill Mauldin, who immortalized the World War II Jeep in cartoons, was on hand for the recent presentation by AM General Corp. of a 1941 Military Jeep to the U. S. Army Transportation Museum.

One of Mauldin's most famous cartoons depicted an enlisted man holding a pistol over his Jeep, one hand over his eyes.

There was no caption, but it was obvious to the viewer that this soldier's faithful Jeep had taken a mortal blow and the soldier was about to mercifully do away with his longtime friend.

In presenting the military Jeep to the museum, Lawrence H. Hyde, AM General president, pointed out that AM General traces its history to predecessor Willys-Overland, which designed and manufactured the quarter-ton vehicle that was the workhorse of World War II.

"More than 350,000 Jeep vehicles were produced during World War II," said Hyde. "In fact, George C. Marshall called the Jeep vehicle 'America's main contribution to modern warfare.'"

Hyde said the World War II Jeep was used by generals as well as statesmen. It was used and loved by fighting men in every part of the world, from bases in the U. S. to the most remote jungle outpost, he added.

• "The military Jeep could go just about anywhere and do almost anything," said Hyde. "In fact, it was a military Jeep that led the Fifth Army into hundreds of towns and cities as the war moved across Europe.

"Not only the American Army, but every allied nation depended on the versatile Jeep in battle

Continued on Page 11, Col. 2

Lifetime ambition achieved

Bill Witcher, center, achieved what he called the ambition of a lifetime when he purchased the final shares of stock from H. A. (Red) Poling, left, executive vice president, Ford Motor Co. North American Automotive Operations, to complete the buyout of Alameda Ford Truck Sales, Los Angeles. Looking on is Edson P. Williams, general manager, Ford Truck Operations.

Terex phasing out output at plant in Cleveland area

CLEVELAND. — Terex Corp., caught in the slump in sales of heavy equipment, is putting the Greater Cleveland Brooklyn plant in mothballs and moving production on current orders to the nearby Hudson plant.

The Cleveland unit had 800 employes two years ago. Currently, 260 hourly workers and 60 salaried employees have been notified of the phasing down over the next eight months during the shift of production to Hudson.

The Hudson operation had 1,400 employes at its peak, and is now down to 307 hourly and 490 salaried workers.

Terex, which makes heavy equipment for the construction and mining industries, was sold by General Motors in 1981, but GM still has a 19.6 percent interest in the company. Dallah Establishment, a Saudi Arabian investment group, holds another 19.6 percent.

Terex is owned by IBH Holding AG of Mainz, West Germany, and is headed by Horst-Dieter Esch.

truck industry news

Total is highest since July

Light-truck gains boost October registrations

The late-summer increase in light-truck sales as the result of a wave of new incentives was reflected in October registrations of new trucks in the U. S. The total was higher than a year ago for the first time since July.

During the month, 193,243 vehicles were registered in the 49 reporting states, according to R. L. Polk & Co. statistics. The count was 13.3 percent higher than the year-earlier 170,584 units.

Light-truck tallies in October totaled 180,140 units, accounting for 93.2 percent of the month's count. The total was 18 percent higher than the 152,702 light vehicles registered in October, 1981.

The Group 1 total for the month was up 22.9 percent, from 87,155 last year to 107,091. In Group 2, there were 71,505 tallies, 10.9 percent higher than a year ago. Group 3 was up 48.3 percent to 1,544 units, compared with 1,041 in October, 1981.

Through October, the industry total was 1,969,158 units, an increase of 7.2 percent over the 1,836,260 registered in the corresponding period in 1981. Light trucks were the only segment to show an improvement over the year-earlier count.

Over the 10-month span, 1,824,812 light trucks were registered in the U. S., a gain of 10.2 percent over last year's 1,656,180 units.

Medium trucks dropped 19.5 percent, from 46,339 units a year ago to 37,305. There were 107,041 heavy-truck registrations in the January-October period, a decline of 20 percent from last year's 133,741.

Registrations were higher in all three light-truck groups for

Continued on Page 11, Col. 1

HD registrations through October decline 20 pct.

Registrations of new heavy trucks in the January-October period in the U. S. dropped 20 percent below those in the comparable period a year ago.

Through October, according to R. L. Polk & Co. statistics, 107,041 new Groups 7 and 8 trucks were registered in the 49 reporting states, compared with the year-earlier 133,741 units.

Tallies were down 31.6 percent for the month, from 13,465 units in October, 1981, to 9,212.

The totals for the two big-truck groups were off for both the month and the January-October period.

Through October, 46,530 Group 7 trucks were registered in the U. S., a decrease of 17 percent from the year-earlier 56,039 units. October's 3,412 tallies were 34.7 percent below last year's 5,223 units.

Group 8 registrations for the 10 months totaled 60,511, down 22.1 percent from the year-ago 77,702. In October, the count was 5,800, a decline of 29.6 percent from the 1981 total of 8,242 units.

U. S. TRUCK REGISTRATIONS

10 MONTHS, 1982 VS. 1981★

	10 mos., 1982	Percent Share of '82 market	10 mos., 1981	Percent Share of '81 market	'82-'81 Change, Pct. pt.
Chevrolet	611,862	31.07	543,942	29.62	+ 1.45
Ford	593,900	30.16	596,269	32.47	— 2.31
Dodge	182,999	9.29	136,865	7.45	+ 1.84
GMC	172,939	8.78	133,293	7.26	+ 1.52
Jeep	49,652	2.52	47,886	2.61	— 0.09
International	37,973	1.93	52,880	2.88	— 0.95
Mack	12,642	0.64	15,827	0.86	— 0.22
Plymouth*	8,622	0.44	12,684	0.69	— 0.25
Kenworth	6,086	0.31	8,786	0.48	— 0.17
Freightliner	5,799	0.29	7,311	0.40	— 0.11
Peterbilt	4,603	0.23	5,250	0.29	— 0.06
Mercedes-Benz	2,495	0.13	2,947	0.16	— 0.03
White	2,140	0.11	2,340	0.13	— 0.02
Volvo	558	0.03	1,398	0.08	— 0.05
Western Star	550	0.03	669	0.04	— 0.01
Autocar	505	0.03	998	0.05	— 0.02
Miscellaneous**	275,833	14.01	266,915	14.53	— 0.52
TOTALS	1,969,158	100.00	1,836,260	100.00	.....

★—No registrations for Oklahoma, 1982 and 1981.
* Plymouth trucks are Trail Duster, Voyager and Arrow.
**Miscellaneous includes imports, Crane Carrier, Oshkosh, FWD, Hendrickson, etc.

U. S. HEAVY DUTY REGISTRATIONS

10 MONTHS, 1982 VS. 1981★

	10 mos., 1982	Percent Share of '82 market	10 mos., 1981	Percent Share of '81 market	Pct. pt. Change, '82-'81
Ford	25,122	23.47	28,203	21.09	+ 2.38
International	23,943	22.37	34,441	25.75	— 3.38
GMC	18,184	16.99	18,216	13.62	+ 3.37
Mack	10,917	10.20	14,581	10.90	— 0.70
Chevrolet	6,545	6.11	8,872	6.63	— 0.52
Kenworth	6,086	5.69	8,786	6.57	— 0.88
Freightliner	5,799	5.42	7,311	5.47	— 0.05
Peterbilt	4,603	4.30	5,250	3.93	+ 0.37
White	2,140	2.00	2,340	1.75	+ 0.25
Mercedes-Benz	827	0.77	730	0.54	+ 0.23
Volvo	558	0.52	1,383	1.03	— 0.51
Western Star	550	0.51	669	0.50	+ 0.01
Autocar	505	0.47	998	0.75	— 0.28
Miscellaneous	1,262	1.18	1,961	1.47	— 0.29
TOTALS	107,041	100.00	133,741	100.00	.....

★—No registrations for Oklahoma, 1982 and 1981.

Time for innovation, Petersen says

Ford honors 24 engineers, scientists

DEARBORN. — Ford Motor Co. honored 24 of its scientists and engineers from the U. S. and Europe for achievements in research product engineering and manufacturing.

It was the second annual presentation of Henry Ford Technological Awards. Award ceremonies were at Ford World Headquarters here.

In congratulating the award recipients, Ford President Donold E. Petersen said:

"Your achievements provide clear evidence that innovation is alive and well at Ford."

Discussing innovation and new technology and the role they are playing in directing Ford's future course, Petersen said the company "is committed, as never before, to making certain the voice of the technical community is heard on a continuing basis at the top levels of Ford Motor Co."

"We've recognized that we must broaden our horizons and extend our product development thinking and planning," he said. "In the past, I know we have failed to encourage risk-taking . . . taking chances became tantamount to living dangerously.

"We are determined to change these rules. Today, I can assure you, we're looking for wise risk-takers and action-oriented people. Timidity has no place in our organization.

"If challenge and change are catalysts to innovation, then the time is ripe. Perhaps at no moment in recent history has there been a higher premium placed on creative thinkers, innovators and risk-takers than there is today."

Research awards recipients are George C. Davis, Ann Arbor, principal research engineer associate, and Rodney Tabaczynski, Northville, Mich., principal research engineer, both in the Powertrain Research Laboratory, Engineering and Research Staff, joint awards.

Also, Neill Weber, Dearborn, staff scientist, Long Range and Systems Research Laboratory, and Joseph T. Kummer, senior staff scientist, Chemical Sciences Laboratory, both Engineering and Research Staff, joint award; F. Gordon Willis, principal staff engineer, Vehicle Concepts Research Laboratory, Engineering and Research Staff.

• Product engineering awards were given to Thomas M. Cairns, Beverly Hills, Mich., principal design engineer, Components Engineering, Body and Electrical Product Engineering; Sumorfin Salazar, Toledo, product design engineer, Components Engineering and Stanley L. Pierce, Northville, Mich., Advanced Transmission Engineering Section supervisor, Transmission and Axle Engineering, Powertrain and Chassis Product Engineering.

Also, Frank E. Rowland, components engineer, Chassis Engineering, and Kilian Hadank, principal vehicle engineer, Vehicle Engineering, both Ford of Europe, joint award.

Peter F. Salamon Jr., Dearborn, principal design engineer, Engine Engineering, Powertrain and Chassis Product Engineering, and Walter L. Doelp Jr., Livonia, Equipment Research and Development Section supervisor, Service Engineering, Ford Parts and Service Division, joint award.

Marcello Veneziano, Novi, Mich., and Thomas A. Spoto, Royal Oak, Mich., both product design engineers in Electronic Instrumentation and Features Engineering, Electrical and Electronics Division, joint award.

Manufacturing award recipients are Bryce D. Dell, Woodhaven, Mich., production equipment designer, Plant Engineering, Dearborn Engine Plant, Engine Division.

William J. Fuhrman, Birmingham, Mich., advanced manufacturing planning engineer, Manufacturing Development, Transmission and Chassis Division, together with Benjamin I. Bachrach, Dearborn, principal research engineer associate, Vehicle Concepts Research Laboratory, and Shyam K. Samanta, Ypsilanti, Mich., principal staff engineer, Material Sciences Laboratory, both Engineering and Research Staff, joint award.

Thomas C. Gordon, Irvine, Calif., engineering specialist, Electronic Engineering Department, DIVAD Division, Ford Aerospace & Communications Corp.; Rudiger Kresse, Manufacturing Engineering supervisor, Tooling, Body and Assembly Operations, Ford of Europe.

Also, Robert F. Muglia, advanced manufacturing engineer, and Gary A. Webb, West Bloomfield, Mich., Computer Aided Design Section supervisor, both of the Manufacturing Engineering Office, Body and Assembly Operations, joint award.

William H. Spicer, Holland, Pa., and Sylvester Karpchuk, Churchville, Pa., both manufacturing equipment design engineers, Electrical and Electronics Division, joint award.

Museum given WWII Jeep by AM General

Continued from Page 10

as a command car, troop carrier, supply vehicle, gun platform, radio car and ambulance," he added.

Hyde said the World War II Jeep was modified and improved over the years.

"Today's version is designated as the M151A2 ¼-ton, 4x4 tactical utility truck, but it will always be a 'Jeep' in the soldier's mind. Today U. S. Marines are patrolling the streets of Beirut in the M151A2, the successor to the World War II Jeep.

"AM General's proud heritage results from more than 40 years of experience in producing military vehicles beginning with the World War II Jeep and continuing through the current contracts for vehicles ranging in size from ¼-ton through 20-ton military trucks."

Hyde said that, "in addition, George W. Scharbach, who has nearly 40 years of experience designing military trucks and is now our vice president of engineering and product development, may have actually installed the gas tank on this particular military Jeep since he worked on the assembly line at Willys-Overland while a student in college."

Drunk driving crackdown

TRENTON, N. J.—The State Assembly has given final approval to legislation imposing a mandatory four-month jail sentence for conviction of death by auto while under the influence of liquor or drugs. Four months of community service can be substituted for the jail term.

Light-truck gains boost registrations in October

Continued from Page 10

the 10-month period, while there were decreases in all of the big-truck classifications.

Through October, there were 1,031,262 Group 1 tallies, up 11.9 percent over the previous year's 921,740. The Group 2 count was 777,257, a gain of 7.4 percent over the year-ago 723,951. In Group 3 the increase soared to 55.3 percent, from 10,489 units in 1981 to 16,294.

Only seven Group 4 vehicles were registered in the first 10 months, four fewer than a year ago. The Group 5 count was off 20.7 percent to 1,247 units, compared with 1,573 in 1981.

Group 6, which continues to lose ground to Group 7 in the growth of mid-range diesel power, had 36,051 tallies through October, down 19.4 percent from the year-ago 46,339.

At the same time five years ago, the Group 6 total was the third highest, with slightly more than 126,000 units. Today it ranks fifth.

Group 7 registrations for the 10 months totaled 46,530 units, down 17 percent from last year's 56,039. The Group 8 count was off 22.1 percent, from 77,702 units in 1981 to 60,511.

Chevrolet widened its lead over Ford in October, boosting its 10-month total to 611,862 units. Ford's total for the same period was 593,900. At the same time a year ago, Ford was the leader, 596,269 versus 543,942.

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Alcohol use is strong

Octane stimulant sales shining

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gallons, up 194 percent from last year.

The volume of alcohol fuel being produced is catching some by surprise.

In September, alcohol plants produced 162 million gallons of fuel, compared with production a year earlier of only 55 million gallons.

The product is selling for around $1.70 a gallon, but at the retail level as octane booster, it is selling for anywhere from 79 cents to above $2 for less than a pint.

Alcohol is competitive with the other fuel additives, said Tim Galvin, an aide to Rep. Berkley Bedell, Iowa Democrat, who continues to boost the use of corn and other grains. He sponsored legislation allowing the agricultural secretary to allocate surplus grains into alcohol production.

Alcohol is being produced in large quantities, albeit without fanfare, even as highly publicized coal gasification projects are being downgraded.

W. R. Grace & Co. is the latest to say it is scaling down a proposed gasoline project, one at Basket, Ky. Ashland Oil Co. said it had decided not to build a $3 billion commercial plant in Breckenridge County, Ky., because of low world oil prices and the amount of capital required.

According to the Renewable Fuels Assn. in Washington, there are now about 100 commercial plants in operation producing fuel alcohol. They range in capacity from 500,000 gallons a year to 60 million gallons.

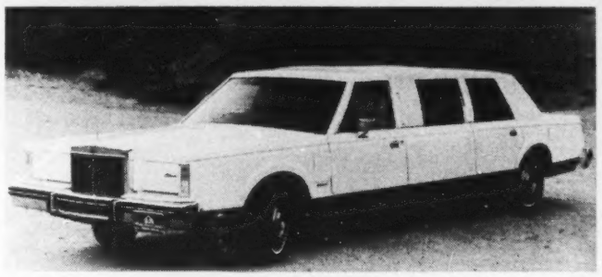
• Archer - Daniels - Midland, of Decatur, Ill., is the king of the alcohol distillers. The company produces an estimated 220 million gallons a year and plans to increase that to 300 million a year with a new plant at Clinton, Ia.

A. E. Staley Co. operates a large plant at Loudon, Tenn.

Farm organizations are continuing to push for more grain conversion to alcohol. They point to the eight-billion-bushel corn crop this year. Iowa and Idaho, where the potato crop is large, contends surplus potatoes can be converted to alcohol fuel.

Corn prices have dropped to below $3 a bushel, causing farmers to push for greater usage for not only feed but for fuel as well.

If Congress passes the five-cents-a-gallon tax, sources say, it may mean more sales of gasohol or octane boosters. Motorists may go back to the tight days of gasoline and try to get more miles per gallon.



Once a Lincoln, now a Savoy

O'Gara Coachworks, Simi Valley, Calif., converts the Lincoln Continental (shown) or Mark VI into its Savoy Limousine, with Corinthian elm and burled walnut cabinet, television, stereo, crystal beverage set, ice storage compartment and gold-plated insignia. The conversion is a 46-inch stretch which adds about $36,500 to the price of the original.

Ceramic engine fired up, Irish researchers report

Continued from Page 13

cles, apart from his academic work, is enthusiastic about the development.

"Apart from the obvious advantages of getting rid of the cooling system required by conventional engines, the new engine makes it practical to reduce fuel consumption by about one third. The 100-miles-per-gallon family car comes a bit closer," he said.

Work on the engine, said to be quieter and cleaner than conventional engines has been under way for five years. It has recently had 2½-hour runs in Dublin for the team from Carborundum.

Timoney told newsmen, "Carborundum is hoping to get an extended contract from the U. S. government to develop this engine and we in UCD in Ireland would be taking part in this project."

Carborundum supplied the materials for the Irish project, glued together by Loctite adhesive. Loctite Corp. has a Dublin R & D facility and manufacturing project.

Gengras elected

HARTFORD, — E. Clayton Gengras Jr., president of Clayton Motors (Dodge-Volvo), East Hartford, has been elected to a three-year term on the board of directors of the University of Hartford Associates.

Model breakdown

Auction Averages

	December	November	October
1982	$6,811	$6,961	$7,962
1981	6,157	6,141	6,457
1980	4,811	4,904	5,115
1979	4,148	4,479	4,511
1978	3,125	3,424	3,493
1977	2,649	2,822	2,812
1976	2,021	2,001	2,091
1975	1,168	1,188	1,355
Overall Average	$4,505	$4,569	$4,513

Used car sales

Auction Averages

December	$4,505
Month ago	$4,524
Year ago	$4,117

Rowand report

Continued from Page 13

car in a period in which four-speeds were new to the U. S. and some were wary of them.

At about the same time, one of the importers fitted a car with a counting mechanism on the shifter and sent a couple of writers across the country coast to coast. A guess-the-number-of-shifts contest sparked interest and, again, people were talking about the car.

That was the point of all those exercises. They demonstrated the hardware — the iron, as Lee A. Iacocca sometimes calls the merchandise.

Nowadays, a Detroit reporter is likely to be asked to an auto maker's press conference and find the star of the show is a vehicle that runs on alcohol and coal dust or something equally as far out.

Sometimes the conference itself is the most interesting thing about the meeting with, as in one case, a multicity link by satellite of reporters and corporate brass.

Many press relations personnel seem dedicated to publicizing the brass and not the iron. That is common, and most reporters say it's a mistake.

Too often, in my book, reporters invited to see a new product are treated to a management speech saying sales are going to turn up in the third and fourth quarter of next year.

Or, guests of honor at a new-car showing may turn out to be leaders of the UAW who'll say how nice things are between labor and management.

It's abundantly clear that things are different these days following Ralph's reign of terror. There's a whole new ballgame in the post-Nader era.

But, cars by their nature are emotion-stirring machines. Canny operators in the past took advantage of that fact. They moved people's juices and, by doing so, moved large volumes of the product.

Good old-fashioned publicity stunts won't cure anything, but they'd help put some spark back in this business.

used-car auction directory

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U. S. output totals 5,055,551 for 1982

Car production lowest since '58

Continued from Page 1

and Honda, 0.08 percent.

Truck production last week, also affected by holiday downtime, was targeted at 33,389 units, down 12.90 percent from the previous week's 38,333, but up 45.38 percent from last year's 22,966 units.

GM's Bowling Green (Corvette) facility and Ford's Lorain (Thunderbird, Cougar) point remained idle last week (Dec. 20) for model changeover. Both facilities are slated to return in January.

The GM Detroit (Cadillac) plant operated 1.6 hours of overtime during the four days of production last week.

All U. S. car and truck assembly points closed after Thursday's shifts (Dec. 23) and will remain closed this week (Dec. 27) in observance of the Christmas/New Year's holidays. Most plants will return Jan. 3.

Ford's Dearborn car point will remain idle an additional week after the holidays with operations slated to resume Jan. 10.

Also extending the holiday downtime will be Ford's San Jose, Metuchen and Wayne car plants, plus the Ford Kansas City, Norfolk, San Jose and Twin Cities truck facilities. The San Jose car and truck points are slated to return Jan. 24, while the other five assembly points are scheduled to resume production Jan. 17.

Also at Ford, assembly of 1983 Thunderbirds is expected to begin in late January at the company's Atlanta facility. The plant also builds LTD and Marquis.

Canadian car output up, but trucks down for 1982

While the Canadian auto makers finished the 1982 calendar year considerably ahead of last year's total, truck output was the lowest in seven years.

The car makers assembled an estimated 826,797 units in 1982, up 11.19 percent from last year's 743,570.

Truck production this year is slated at 474,602 units, a 23.11 percent decline from 617,264 assembled in 1981. It is the lowest total for any year since 1975 when only 389,728 units were finished.

The car manufacturers have estimated December output at 51,053 units, up slightly from last year's 50,799.

Total truck output for December is slated at 25,228 units, a 40.23 percent decline from 42,207 built in the comparable month last year. It was the lowest total for that period since 1974 when only 22,648 trucks were completed.

For the final three months of 1982, the car manufacturers are estimating 162,414 units, down 8.09 percent from 176,711 built in the same period in 1981. It is the lowest fourth quarter output since 1964 when only 125,696 units were assembled.

The truck makers are targeting fourth-quarter output at 90,728 units, a 37.34 percent decline from last year's 144,801, and the lowest total for the period since 89,123 trucks were built in 1974.

Early holiday closings at Ford Motor's car and truck facilities, plus a four day work week at all other assembly points, pulled last week's Canadian output down substantially from the previous week's total.

The car manufacturers slated 11,032 units last week, down 50.62 percent from the prior week's 22,339, but up 28.34 percent from last year's 8,596.

Last week's truck output was targeted at 5,248 units, down 47.97 percent from 10,087 the previous week, but up 1.43 percent from 5,174 units built in the comparable 1981 period.

The Ford St. Thomas and Oakville car and truck lines closed last week (Dec. 20) for holiday downtime.

All other car and truck facilities closed for the holidays last Thursday (Dec. 23). Production is scheduled to resume at most plants Jan. 3

New top for the 'J'

E&G Classics, Columbia, Md., has introduced a roof kit for the GM J-cars that includes inner and outer window block-out, padding, vinyl, stainless steel targa band, emblems, moldings and hardware.

Replicar builder seeks exemptions from safety rules

WASHINGTON. — Handcraft Motorcar Co., Bradenton, Fla., has asked NHTSA for temporary exemptions from several federal safety standards, saying compliance would cause it substantial economic hardship.

Handcraft was chartered last April to assemble vehicles from components — mostly mechanical components from Ford plus frame and major body parts from Thoroughbred Motorcars, Inc., Redmond, Wash. — to replicate a classic Mercedes 540K of the 1930s. It will be known as the "Magnum 540K."

Handcraft wants three-year exemptions from Standard 104, windshield wiping and washing; Standard 201, occupant protection in interior impact; Standard 202, head restraints; Standard 203, impact protection from steering column, and Standard 204, steering control rearward displacement.

It also sought exemptions from door locks and door retention components; Standard 207, seating systems; Standard 212, windshield mounting; Standard 219, windshield zone installation, and Standard 301, fuel-system integrity.

Handcraft argued that a month after incorporation, its assets were only $42,277. Testing would cost $150,000 (including the cost of the vehicle at $48,000) and would cause severe economic hardship.

Songer signs

Jack D. Songer, left, owner of Apple Buick-Chevrolet, Covington, Ind., signs Chevrolet franchise agreement as G. Neil Perkins, Indianapolis zone manager, looks on.

U. S. CAR PRODUCTION

	Week Ended Dec. 25, 1982	Week Ended Dec. 26, 1981	Week Ended Dec. 18, 1982	Dec. Est.	1981 Total	1982 Est.
AMERICAN MOTORS	3,040	1,530*	3,061	12,150	109,319	58,062
AMC Total	640	.....	.....	1,965	109,319	52,262
Spirit	.....	.....	.....	.....	35,143	12,973
Concord	.....	.....	.....	.....	49,480	17,635
Eagle	.....	.....	.....	.....	24,696	21,654
Renault Total	2,400	.....	3,061	10,185	.....	5,800
Alliance	2,400	.....	3,061	10,185	.....	5,800
CHRYSLER CORP.	11,720	2,568	14,650*	50,143	749,687	600,180
Plymouth Total	4,680	1,306	5,850*	20,112	365,841	241,007
Horizon	1,680	1,306	2,100*	7,308	139,353	77,388
Reliant	2,960	.....	3,700*	12,597	216,901	162,071
Caravelle ('81)	.....	.....	.....	.....	2,139	.....
Caravelle ('83)	40	.....	50*	207	.....	1,548
Gran Fury	.....	.....	.....	.....	7,448	.....
Chrysler Total	2,080	.....	2,600*	8,432	57,340	114,263
LeBaron	960	.....	1,200*	4,384	52,478	94,937
Chrysler	.....	.....	.....	.....	4,862	.....
Chrysler E-Class	1,120	.....	1,400*	4,048	.....	19,326
Dodge Total	4,960	1,262	6,200*	21,599	326,506	244,910
Omni	1,600	1,262	2,000*	6,791	126,224	72,512
Aries	2,560	.....	3,200*	10,970	170,139	129,555
Diplomat	.....	.....	.....	.....	12,644	.....
Dodge 400	320	.....	400*	1,538	13,817	30,322
Dodge 600	480	.....	600*	2,300	.....	12,521
St. Regis	.....	.....	.....	.....	3,582	.....
FORD MOTOR	21,748	19,466	27,186	85,858	1,320,198	1,102,236
Ford Division	13,470	13,579	16,838	52,407	892,043	687,807
Escort	5,591	5,164	6,989	16,832	351,437	264,232
Fairmont	2,423	1,710	3,029	10,387	176,246	128,258
Mustang	1,646	2,625	2,058	9,735	153,719	125,774
LTD/Granada	3,077	2,213	3,846	13,219	103,702	131,691
Thunderbird	.....	1,742	.....	.....	64,328	29,326
Crown Victoria/Ford	598	.....	747	1,930	40,886	2,009
EXP	135	125	169	304	1,725	6,517
L-M Division	8,278	5,887	10,348	33,451	428,155	414,429
Mercury Total	6,344	4,894	7,930	25,243	363,970	316,522
Lynx	1,815	1,211	2,269	5,112	116,905	81,644
Capri	177	637	221	1,267	50,336	32,505
Zephyr	757	1,073	946	3,128	51,868	40,411
Marquis/Cougar	1,800	932	2,250	7,579	49,831	61,168
Cougar/XR7	.....	217	.....	.....	28,223	10,580
Gr. Marquis/Marquis	1,758	752	2,198	8,074	65,720	88,413
LN7	37	72	46	83	1,087	1,801
Lincoln Total	1,934	933	2,418	8,208	64,185	97,907
Continental ('82)	387	496	484	1,642	11,894	20,110
Lincoln	907	252	1,134	4,026	26,651	47,742
Mark VI	640	245	800	2,540	25,640	30,055
GENERAL MOTORS	57,855	43,843	71,352	230,484	3,930,176	3,207,593
Buick Division	13,503	8,874	17,675	54,566	839,966	750,998
Skylark	2,896	2,018	3,699	8,835	239,175	137,749
Skyhawk J	1,124	.....	1,402	4,603	6	65,522
Century	2,012	1,172	2,519	7,355	102,968	111,712
Regal	3,365	2,837	5,066	16,509	267,708	208,883
Buick	3,168	2,003	3,801	13,290	171,834	183,283
Riviera	938	844	1,188	3,974	58,275	43,849
Cadillac Division	4,901	3,142	6,376	21,651	259,135	246,609
Cimarron	432	67	617	2,005	22,308	10,569
Seville	416	189	525	1,792	23,344	22,700
Eldorado	957	742	1,216	4,119	57,861	56,612
Cadillac	3,096	2,144	4,018	13,735	155,622	156,728
Chevrolet Division	19,898	17,023	21,711	74,989	1,463,165	1,016,445
Chevette	3,535	5,292	4,509	15,965	360,848	207,979
Cavalier	2,133	1,134	2,782	8,773	139,817	94,858
Celebrity	1,789	2,256	2,072	5,908	23,833	67,672
Camaro	3,082	1,554	3,895	13,150	99,050	214,206
Citation	2,148	2,655	2,587	8,300	300,653	157,513
Malibu	2,028	1,689	2,887	9,261	223,749	124,520
Monte Carlo	1,412	1,931	1,866	7,052	139,899	81,662
Chevrolet	3,771	150	1,111	6,580	147,332	45,521
Corvette	.....	362	.....	.....	27,984	22,514
Oldsmobile Division	14,003	9,690	18,543	57,701	825,540	775,198
Omega	1,299	1,063	1,624	3,956	121,617	74,459
Firenza	635	.....	794	2,839	.....	44,679
Cutlass	4,153	2,880	6,229	19,147	361,640	216,765
Cutlass/Ciera	2,232	2,039	2,790	7,758	24,035	122,225
Oldsmobile	5,054	3,320	6,318	21,307	274,373	282,440
Toronado	630	388	788	2,694	43,875	34,630
Pontiac Division	5,550	5,114	7,047	21,577	542,370	418,343
Acadian†	.....	81	.....	89	18,138	9,617
2000	1,412	.....	1,578	4,866	91,465	41,627
1000	944	225	1,118	2,877	88,871	35,861
Firebird	1,342	747	1,567	5,341	48,970	124,119
Phoenix	572	875	728	2,011	96,597	45,604
G. Prix/B'ville ('83)	1,280	1,945	2,056	6,393	127,227	131,173
A6000	.....	1,241	.....	.....	19,011	30,342
LeMans	.....	.....	.....	.....	42,027	.....
Pontiac	.....	.....	.....	.....	10,064	.....
HONDA*	80*	.....	120*	320*	.....	610*
VOLKSWAGEN	2,600	2,368	3,283	7,613	167,755	84,707
CHECKER	.....	.....	.....	.....	2,910	2,163*
Total Cars, U. S.	97,043	69,775	119,652	386,568	6,280,045	5,055,551

TRUCK PRODUCTION IN U. S.†

	Week Ended Dec. 25, 1982	Week Ended Dec. 26, 1981	Week Ended Dec. 18, 1982	Dec. Est.	1981 Total	1982 Est.
CHEVROLET	13,222	8,022	11,898	45,462	548,379	652,640
DODGE	1,840*	2,088	2,300*	6,605	98,240	121,771
FORD	12,597	7,996	15,746	51,782	617,375	694,094
GMC	3,576	2,752	4,145	14,153	173,251	224,140
INTERNATIONAL	840	.....	1,050	3,542	62,861	46,511
VOLKSWAGEN	.....	338	.....	.....	37,392	8,103
JEEP	684	900*	2,144	5,052	92,248	85,467
AM GENERAL	30*	30*	50*	160*	3,616	2,410*
MISCELLANEOUS	600*	840*	1,000*	3,200*	67,760	54,600*
Total Trucks, U. S.	33,389	22,966	38,333	129,956	1,701,122	1,889,736

CANADIAN TRUCK PRODUCTION

	Week Ended Dec. 25, 1982	Week Ended Dec. 26, 1981	Week Ended Dec. 18, 1982	Dec. Est.	1981 Total	1982 Est.
CHRYSLER CORP.	1,728	1,238	2,558	4,286	85,427	96,690
FORD MOTOR	240	1,548	3,183	8,206	278,810	133,801
GENERAL MOTORS	3,115	2,388	4,069	11,856	242,275	232,865
INTERNATIONAL	165	.....	271	880	10,752	11,246
Total Trucks, Canada	5,248	5,174	10,087	25,228	617,264	474,602
N. American Trucks	38,637	28,140	48,420	155,184	2,318,386	2,364,338

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

CANADIAN CAR PRODUCTION

	Week Ended Dec. 25, 1982	Week Ended Dec. 2?, 1981	Week Ended Dec. 18, 1982	Dec. Est.	1981 Total	1982 Est.
AMERICAN MOTORS	960	.....	1,079	2,039	34,535	30,291
CHRYSLER CORP.	2,752	1,814	4,225	6,977	59,145	151,465
FORD MOTOR	420	3,565	8,727	19,911	191,928	283,857
GENERAL MOTORS	6,720	3,082	8,128	21,406	437,622	351,142
VOLVO	180	135	180	720	10,336	10,042
Total Cars, Canada	11,032	8,596	22,339	51,053	743,570	826,797
N. American Cars	108,075	78,371	141,991	437,621	7,023,615	5,882,348
N. American Trucks	38,637	28,140	48,420	155,184	2,318,386	2,364,338
North American Cars and Trucks	146,712	106,511	190,411	592,805	9,342,001	8,246,686

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.
*—Honda figures are estimated. Actual Honda production totals will be released next Spring.

C2700-1 1/4/83

Automotive News®

January 3, 1983

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58th year—$40 per year, $1.00 per copy

Ever-slumping sales take second place in balloting

DeLorean's downfall named Story of Year

By John K. Teahen Jr.
Managing Editor

There was a time — 10 to 15 years ago — when John Z. DeLorean was the golden boy of the auto industry.

Young. Brilliant. A General Motors vice president at 40. A leading contender for the presidency of GM.

No more. Today, DeLorean is 57 and his glitter is gone. His sports-car company is out of business, and DeLorean himself awaits trial in U. S. District Court in Los Angeles on charges of conspiracy to possess and distribute cocaine.

In short, 1982 brought the downfall of DeLorean. The trials and tribulations of the man and the company were named Story of the Year in the 30th annual poll of the AUTOMOTIVE NEWS editorial staff.

Second place went to the continuing sales famine. New-car sales in 1982 were even worse than in 1981, and 1981 was awful.

Labor developments took third place. There are new contracts at General Motors, Ford Motor Co., Chrysler Corp. and American Motors. GM and Ford workers made concessions. The Chrysler pact in the U. S. was negotiated after a costly strike in Canada.

The fourth-place story was GM's "Japanese strategy." The company plans to buy small cars from Isuzu and is talking with Toyota about joint production in the U. S.

• In fifth place was the beginning of Renault and Honda auto production in the U. S.; Renault by AMC and Honda in its own plant in Marysville, O.

The DeLorean saga was a year-long happening, but it didn't assume Story of the Year proportions until Oct. 19. That's the day John DeLorean was arrested.

In earlier months, the story concerned DeLorean's efforts to keep his sports-car company afloat. It wasn't easy.

As the year began, only about 3,000 of the 7,500 cars produced had been sold. There were lay-

Continued on Page 38, Col. 1

Front-drive New Yorker

New generation is born at Chrysler

The 1983½ Chrysler New Yorker gets a rousing sendoff from Chrysler Corp. workers at the Jefferson Ave. plant in Detroit. The redesigned front-wheel-drive New Yorker is 18.5 inches shorter and 800 pounds lighter than the rear-drive Chrysler New Yorker Fifth Avenue. The new car will go on sale in February and 20,000 are scheduled to be built during the '83 model year.

GM's new incentive: 11.9 pct. on '82s, 83s

The new General Motors incentive program for the first quarter of 1983 calls for 11.9 percent customer financing on all new 1982 and 1983 passenger cars and light-duty trucks and vans.

It succeeds a 10.9 percent financing plan which expired Dec. 31. The 10.9 percent loan rate, however, applied only to 1982 cars, light trucks and vans. It started Nov. 1.

Thus the rate in the new program is not as advantageous to buyers, but the coverage is considerably broader.

As in the earlier setup, dealers contribute to the program by giving up 70 percent of their finance reserve.

The new GM-GMAC program through participating dealers covers 1982 and 1983 models delivered through March 31.

The 11.9 percent financing will also be provided on eligible 1983 models on order by customers as of Jan. 1.

In addition, the 11.9 percent will be available on eligible vehicles ordered by customers by Feb. 28 for future delivery, even if they are not delivered by March 31.

The program does not apply to fleet sales or leased units.

GM hopes to get calendar-year sales off to a fast start with its new low-interest offer. The 10.9 percent formula on '82 vehicles was highly successful during the final two months of last year.

In October, GM's car sales were up only a fraction of a percentage point over the 1981 level. But in November, GM sales jumped 32.99 percent over

Continued on Page 39, Col. 3

Chrysler Corp. scores coup with Jamaican truck trade

By Edward Lapham
Financial Editor

Chrysler Corp. has scored a coup in the latest struggle for sales in the Third World by completing a counter trade to sell trucks in Jamaica.

Counter trading — multi-party deals which involve commodities, hard currency, local currency and complex negotiations — is one step beyond two-party, commodity-for-commodity bartering which many auto makers around the world have used in recent years.

Many large U. S. industrial companies, including Ford and General Motors, are currently negotiating counter trades in a number of developing countries which have an abundance of commodities and a dearth of hard currency.

Counter trades are particularly attractive to Chrysler, which does not have extensive overseas or international operations.

"The difference between bartering and counter trading is simple," said John J. Hummon, general manager of Chrysler's overseas sales operation. "In a barter, you swap a commodity for vehicles and then you have to sell the commodity yourself. In this deal we never touched the commodity nor did we pay for it.

"We merely found a buyer who was willing to buy it and pay hard currency."

Hummon said the deal took four months to negotiate. The trucks will be delivered some time in the second quarter of 1983.

• There were five parties involved in this "very elaborate deal," he said.

First, there was the New York-based European American Bank, which through its contacts found a buyer interested in Jamaica's alumina.

Then there was the buyer, an undisclosed European metals company, which agreed to buy 50,000 tons of alumina from the governmental Jamaican Commodity Trading Co., the third party. The deal was negotiated by Chrysler, the fourth party.

The U. S. dollars received from the sale of the alumina then went into an escrow account at the European American Bank. Chrysler can now manufacture and ship "several hundred vehicles" to JCTC, drawing down on the escrow account for payment.

JCTC, having purchased the vehicles from Chrysler for U. S. dollars, then sells them to Chrysler's franchised Jamaica distributor, the fifth party, for local currency and re-sells them in the Jamaica commercial market.

The counter trade was necessary to get the cars from the factory to the distributor because Jamaica has a new protectionist law requiring that all vehicle imports be consummated in this manner in order to assure an even balance of trade.

Chrysler and other U. S.

Continued on Page 38, Col. 3

breaking news

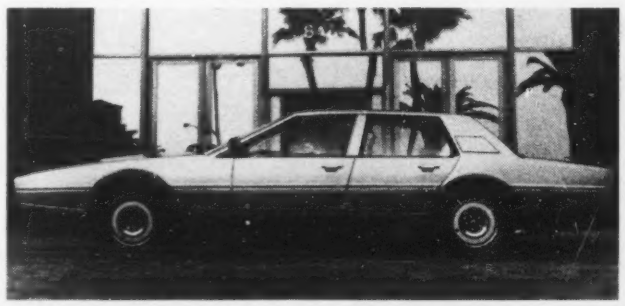
Vauxhall car, truck operations split

LUTON, England.—Structural changes at General Motors' Vauxhall Motors have separated the car and commercial vehicle businesses. Bedford Commercial Vehicle Division is now part of the newly formed GM Overseas Commercial Vehicle Corp., which is directly affiliated with the Worldwide Truck and Bus Group. Vauxhall Motors will continue to operate as GM's manufacturer and retailer of passenger cars in the UK.

Gilroy succeeds Hodgkinson at Land-Rover

SOLIHULL, England. — With Land-Rover's $320 million investment program almost complete and a new model expected within weeks, there has been a surprise change in top management. Mike Hodgkinson, managing director until the end of 1982, has taken a position outside the industry. He has been replaced by Tony Gilroy, previously managing director of the Freight Rover (Sherpa Van) subsidiary.

Launch in LA



1983 Aston Martin Lagonda debuts

The 1983 Aston Martin Lagonda will make its U. S. debut at the Greater Los Angeles Auto Show, Jan. 8-16 at the Los Angeles Convention Center. The $150,000 (East Coast) Lagonda features an aluminum body, shaped by hand and covered with 23 coats of lacquer, and a 5.4-liter aluminum V-8 made by a single person. Twenty-five will be available in the U. S. this year.

NEWSPAPER

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Program to build engine in Canada is on hold

Chrysler, Perkins eye diesel

By Jim Plegue
Staff Writer

Chrysler Corp. and the Perkins Group of Massey Ferguson will meet this month to discuss the future of their joint venture to develop and build diesel engines in Canada, a $367-million program that Chrysler shelved last month.

Chrysler said Dec. 23 that it was "deferring" its plan to build four and six-cylinder diesels for light trucks and cars at its Windsor (Ont.) Engine Plant "because of uncertain diesel sales." The program had been announced in August.

"Little sales improvement is foreseen in the absence of a national energy policy. With gas and diesel fuel prices drifting downward, there is little incentive for consumers to purchase diesel cars and trucks," Chrysler's Dec. 23 statement said.

Chrysler's postponement may jeopardize its Canadian unit's eligibility for portions of a complex financing arrangement with several Canadian governments, it was reported last week.

To finance the diesel program, the Canadian government and the Province of Ontario had agreed to provide a total of $233 million in loan guarantees and another $22 million in "repayable contributions," essentially interest-free loans.

The status of portions or all of that financing has been clouded by Chrysler's announcement to put a hold on its diesel project.

The first diesel engine from Windsor was to have bowed in 1984, a 3.7-liter six-cylinder turbo truck engine. A 2.2-liter four-cylinder car diesel was scheduled for production in 1985. The program was to have added 1,000 jobs at the Windsor Engine Plant by 1988.

Perkins has been working with Chrysler on development of the new engines for the last two years and has invested several million dollars in the program, according to William Winemaster, president, Perkins Engines, Inc., Wayne, Mich.

Winemaster said he could not comment on "whether or not we'd want to go alone" and continue with plans to build the diesel engine without Chrysler.

• Winemaster said he expected to meet with Chrysler officials this week.

Winemaster said that as much as 30 percent of total diesel production at Windsor — estimates had run as high as 350,000 engines per year when the plant hit full stride—was to have been sold to non-automotive buyers. Winemaster said those non-automotive diesel-engine buyers are still interested.

Chrysler and Perkins have been developing a family of direct-injection diesel engines for introduction in the late 1980s. They are said to offer 15 percent greater fuel economy than current diesels.

Truck industry gets presents in gas tax bill

By Jake Kelderman
Washington Staff Writer

WASHINGTON. — The New Year is dawning a bit brighter for the nation's truck makers and dealers, thanks in large measure to the generous highway repair bill the 97th Congress passed in its final lame-duck session.

To be sure, car and truck drivers will be paying an additional five cents for each gallon of gasoline and diesel fuel. But that might well be offset by changes effected by the new law in the cost of buying and repairing the average light and medium truck.

Gone is the 10-percent federal excise tax on most trucks and trailers. Gone is the excise tax on truck parts, all lubricating oil, car tires, inner tubes, and tread rubber used for recapping tires.

Semitrailers may now be as long as 48 feet, trucks as wide as 102 inches, double trailers as long as 56 feet and gross vehicle weights as high as 105,500 pounds.

Only in the case of the heaviest trucks will the cost of buying and operating rise. Under the new highway law, the federal excise tax on trucks and trailers with gross vehicle weights of 33,000 and 26,000 pounds or more, respectively, will rise to 12 percent.

The tax will be collected at the retail level, however, which should save heavy-truck dealers a substantial amount of money because floorplanning a $70,000 rig under the old tax scheme meant the dealer had to pay finance charges on $7,000 worth of excise tax.

User fees also are restructured, so that the heaviest vehicles will bear the heaviest burden, reflecting the fact that such vehicles do the most damage to the nation's highways. Currently, the maximum tax paid is $240. That will jump to $1,600 by July 1, 1984, and to $1,900 by July 1, 1988.

The government estimates the gas tax law will bring in about $5.5 billion a year to finance transit systems and repair and build highways and bridges.

Changes in size and weight laws and the lifting of prohibitions against double-bottom trailers will produce savings of about $3.8 billion annually for the trucking industry, it says.

It means the average owner-

Continued on Page 8, Col. 3

AMC Brampton to close in April, future uncertain

By Patricia Hoffman
Staff Writer

The future of American Motors' plant in Brampton, Ont., has been the subject of speculation in recent weeks, following announcement of plans to halt production indefinitely in April.

An AMC spokesman last week said only that the shutdown is to modify the plant for "increased manufacturing flexibility."

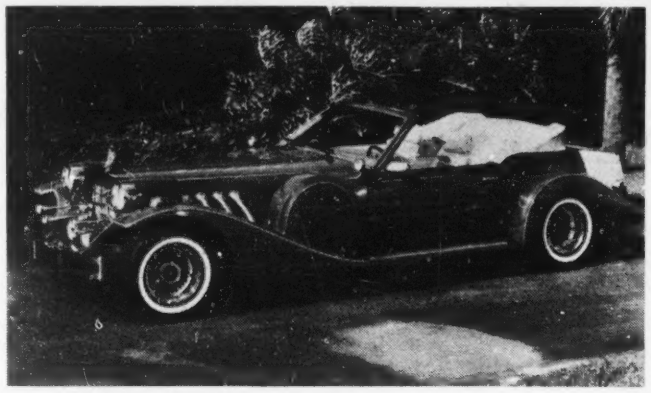
Chrysler Corp., however, confirmed rumors that Brampton is one of several assembly points being considered as a future source of rear-wheel-drive Chrysler cars after those models are pulled out of the company's Windsor plant.

Chrysler is converting its Windsor plant to produce its new front-drive T-115 van. It is slated to go into production in the 1984 model year. The company has not decided where or if it will build rear-drive cars after that.

Windsor currently assembles Chrysler's Gran Fury, Diplomat, Caravelle Salon, Cordoba, Mirada, New Yorker Fifth Ave. and Imperial models.

The AMC Brampton plant builds the Eagle and is the sole source of Spirit and Concord. Assembly of Eagle will continue at the company's Kenosha plant.

The Brampton shutdown will place about 1,600 workers on indefinite layoff.



Sunnier Golden Spirit

Zimmer Motor Cars, Pompano Beach, Fla., will show its new Golden Spirit Convertible at the Greater Los Angeles Auto Show Jan. 8-16. Equipped with a power top with full headliner, the new four-passenger model is based on Ford Mustang mechanicals—including the 5-liter V-8. Price is $67,850.

NHTSA crash tests find Quantum, 626 weak

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — Latest results of high-speed crash testing of 1982 models show rather serious problems in the head-impact area for the Volkswagen Quantum four-door model, both for the driver and front passenger, and for the front passenger in the Mazda 626 four-door model.

In a 34.6-MPH barrier crash, the Quantum — a 2,950-pound German-made vehicle — produced a Head Injury Criteria (HIC) number of 1,353 for the driver and 1,194 for the front passenger. (HIC of 1,000 or lower is generally rated survivable.)

The Mazda 626 chalked up a marginal 969 for the driver and recorded an HIC reading of 1,693 for the front-passenger dummy.

In the same area — front-passenger-seat HIC — the Ford Granada L four-door also turned up with a marginally high number (1,050) at an impact speed of 34.6 MPH barrier. It handily passed for the driver side at 860 HIC. This continues a pattern for Ford, whose other earlier vehicles have had problems with passenger HICs.

The other '82 Ford tested — the Ford LTD four-door, tested at 35.5 MPH barrier — had HICs of 960 for the driver and 808 for the passenger.

All these vehicles had chest deceleration numbers well below the acceptable level of 60Gs (although the Ford Granada dummy driver had results listed as not available, apparently because something messed up the test).

All also passed the three standards for which they were tested — 301, fuel system integrity; 212, windshield retention, and 219, windshield intrusion.

But none of these results bear comparison with some other '82 models and their HICs: The '82 Chevrolet Camaro with 563/577; the '82 Chevrolet Celebrity with 478/395 or the Volvo with 550/381.

On the other hand, there so far is no assurance that exceeding the NHTSA criteria for Standard 208 (where the test speed is 30-MPH, compared to the high-speed crash tests conducted at 35 MPH, or one-third more forceful than required by law) means anything in the real world.

In fact, a research project nearing completion may provide some answers to that, and could possibly agree with the belief of some industry observers that the current test procedure is actually not at all what happens in the real world.

New-car deliveries up for sixth period in row

Mid-December sales gain again

By Jenny L. King
Staff Writer

Domestic new-car sales, moving at a pace in mid-December that belied their performance throughout the year, brought to six the number of consecutive 10-day periods that sales have been up compared with 1981 levels.

Dealers delivered 143,530 new passenger cars to customers Dec. 11-20, a 37.02-percent improvement over the paltry 104,754 delivered during the same period a year earlier. The annualized sales rate based on mid-December, 1982, was 6,607,000, almost a million units above the expected domestic total for this year.

With eight selling days in the period both years, the daily rate was up 37.02 percent, to 17,941 from 13,094.

The 1982 mid-month total was up 0.37 percent from 142,995 in early December. It was down 5.77 percent from 152,316 in mid-December, 1980, and down 26.34 percent from 194,848 for the period in 1979.

Four of the five major U. S. auto makers reported generous sales increases Dec. 11-20. Ford Motor Co. was up an astonishing 61.16 percent, to 33,848 from 20,842 in 1981. The majority of those sales were 1983 models as opposed to leftover '82s, according to a company spokesman.

General Motors was up 31.33 percent, to 84,993 from 64,718. Chrysler Corp. sales were up 35.54 percent, to 19,395 from 14,309. Estimated sales of American Motors passenger cars numbered 3,705, up 68.18 percent from 2,200, while Volkswagen of America, unable to escape the sales curse which has left it below 1981 sales levels throughout the year, was down 38.34 percent, to 1,594 from 2,585.

GM slipped to 59.22 percent of the market during the mid-month period from 61.78 percent a year earlier. Ford was up to 23.58 percent from 19.99 percent. Chrysler was squeezed to 13.51 percent from 13.66 percent, AMC had 2.58 percent compared with 2.10 percent and VWoA dropped to 1.11 percent from 2.47 percent.

Volkswagen and Imperial were the only makes unable to match their year-ago sales levels. VW was down 38.34 percent and Imperial was off 8.33 percent.

On the plus side were Chrysler, up 74.45 percent; Dodge, up 36.19 percent, and Plymouth, up 16.98 percent. Ford was up 57.13 percent, Mercury was up 59.01 percent and Lincoln doubled its sales.

Buick was up 33.17 percent, Cadillac was up 29.01 percent, Chevrolet was up 24.08 percent, Oldsmobile was up 29.57 percent and Pontiac was up 54.21 percent.

Year-to-date sales through Dec. 20 totaled 5,595,137, down 7.97 percent from 6,079,698 a year earlier.

DOMESTIC SALES

	Dec. 11-20, 1982	Dec. 11-20, 1981
AMERICAN MOTORS	3,700†	2,200†
Chrysler	4,717	2,704
Imperial	66	72
Plymouth	6,668	5,700
Dodge	7,944	5,833
CHRYSLER CORP.	19,395	14,309
Ford	22,405	14,259
Mercury	8,534	5,367
Lincoln	2,909	1,316
FORD MOTOR CO.	33,848	20,942
Buick	18,183	13,654
Cadillac	7,823	6,064
Chevrolet	28,465	22,940
Oldsmobile	18,384	14,189
Pontiac	12,138	7,871
GENERAL MOTORS	64,993	64,718
VOLKSWAGEN	1,594	2,585
U. S. INDUSTRY	143,530	104,754

† Estimate

Shenk won't produce DeLorean auto

NORTH MIAMI BEACH, Fla. — Sol A. Shenk, president of Consolidated International, said here that his company will not produce the DeLorean car.

Shenk's firm has acquired the remaining DeLorean cars and parts and had an option to reopen the plant in Dunmurry, Northern Ireland.

Measure is held unconstitutional

Illinois court overturns Sunday closing law

By Nancy I. Phillips
Staff Correspondent

CHICAGO.—The Illinois Sunday closing law for auto dealerships, which was passed by the Legislature and signed by the governor in July, has been declared unconstitutional in Chancery Court here.

The law was to have gone into effect Jan. 1, 1983.

The state is expected to appeal the court's ruling. The case has been turned over to the appeals division of the state attorney general's office.

The decision came in a case brought by five auto dealers and the Illinois Used Car Dealers Assn.

They maintained that the law was discriminatory, since only automobile dealers were required to close on Sundays and other retailers could continue to operate.

Gordon and Gordon, attorneys for the auto dealers, pointed out in their brief that similar legislation was declared unconstitutional by the Supreme Court of Illinois in 1961 in a suit brought by Jim Moran's Courtesy Motors.

The Illinois New Car & Truck Dealers Assn. and the Chicago Automobile Trade Assn. had intervened in the current case, filing briefs in behalf of the State of Illinois.

The dealer groups noted that the state constitution has been rewritten since 1961. They added that in the 1961 case, remaining open on Sunday was a misdemeanor, while the 1982 law gave the state the power to regulate this through the Secretary of State's licensing power.

They also argued that it was not convenient to be open on Sundays since banks and insurance companies are not open.

However, the judge's decision, according to Robert Gordon, of the plaintiffs' law firm, was based on the discriminatory aspect of the law rather than on the other items mentioned in the CATA and INCTDA briefs.

The CATA disagreed with the court's ruling.

Ross E. Kelsey, CATA executive vice president, said, "We are quite disappointed with the judge's decision and the way in which it was made. The hearing did not last six minutes, and the judge didn't hear any attorneys on either side."

The dealer association also is concerned because the International Brotherhood of Teamsters is again trying to organize salespersons at auto dealerships.

"They are sitting like vultures, waiting for this decision," commented a dealer representative. "Salesmen don't want to work Sundays."

The current target of the union is Ray Oldsmobile in Park Ridge, a northwest suburb of Chicago. A vote is expected in about 60 days.

Some dealers believe that the passage of the Sunday closing law was the result of action taken by dealers in an effort to prevent unionization.

No longer an Eldorado

American Custom Coachworks, Beverly Hills, Calif., extends the front end of the Cadillac Eldorado 2 feet to create its Paris Opera/Glamour Coupe. Other features are a reinforced chassis, landau top, fur carpeting and lacquer paint. Less than 100 are to be built in 1983, priced at $59,500.

Interac develops comprehensive system for dealerships

Computers ready to sell cars

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES. — Imagine walking into an auto showroom and talking to a television set instead of a salesman.

By sitting down in front of a tube and touching the screen, customers could see the car of their choice in motion. Touch the screen again, and they would be given a list of optional equipment.

Touch again, and the price, along with a list of different financing plans, appears. Touch once more, and a salesman comes out of a back room to complete the sale.

Sound farfetched? Not to the people at Interac Corp. who have developed just such a system. George Rebane, chief executive officer of Interac, said his product is ready for use not only as a sales tool, but as a training and information-gathering source as well.

Called IVIS, which stands for Interactive Video Information System, the product is part of an emerging technology known as Interactive Video Disk System (IVDS).

In short, IVDS ties together the television, computer and video disk player to provide information on a two-way, interactive basis. The user talks to the system and, in turn, is provided as much or as little information as required.

IVIS is currently being used at Walt Disney's EPCOT Center in Florida in applications that range from information kiosks to audiovisual displays.

The system is capable of presenting computer-generated graphics, film or video sequences, text, slides, still photos and audio sequences recorded on a video disk. Each disk is capable of storing 55,000 frames of information.

When a user looks at the tele-

Continued on Page 39, Col. 1

Seat to export Ronda despite pact with VW

MADRID.—Seat, Spain's state-owned auto maker, is going ahead with an ambitious plan to export its own cars, despite the recently signed agreement with Volkswagen of West Germany.

The first stage of Seat's own project begins this month with exports of its medium-sized Ronda hatchback to much of Western Europe, including the major national markets of West Germany, France and Italy.

In 1984, Seat will complete its European coverage, including, shipments to the United Kingdom.

During the same year Seat will begin production and exports of VW Polo/Derby and Passat/Santana models following the accord finally reached between the two companies last September.

But, say officials from Seat's marketing department, the link with VW does not impede Seat exports through the Fiat organization or Seat's own exports of the models it developed from Fiat designs following the divorce of the two companies in 1980.

The aim is to make Seat a 400,000-unit-a-year producer by 1985, with half going to the domestic market and half for export.

In 1981, it made 205,000 cars, a fall of 30 percent from the previous year. Last year, output rose by around 18 percent (175,600 to the end of September). Seat's record year was 1974, when volume reached nearly 365,000.

In addition to Germany, France and Italy, Seat will sell the Ronda in Austria, Belgium, Holland, Luxembourg, Greece and Israel. The company already has export links with Egypt, Chile, Cyprus, Sudan, Lebanon and Saudi Arabia.

The number of dealers per national market runs from 25 to 100, depending on the size of the market.

Under the terms of the VW-Seat link, Seat will supply around 50,000 Spanish-made Polos to the rest of Europe. The cars will have 65 percent local content. In addition, Seat will manufacture 40,000 Polo/Derby and 30,000 Passat/Santana models for the domestic market. The local content for the larger cars is put at 50 percent.

At the same time, Seat will import 11,000 other VW-Audi models. The VW network in Spain (38 dealers) and that of Seat (900) were merged at the beginning of this year.

Seat's third arm is with Fiat, whose cars it built since the Spanish company was founded—"to motorize the country" — in 1950. Thirty years later, amid Fiat's own internal problems, it withdrew its technical support.

But Seat continues to manufacture 80,000 cars (mostly Pandas) for sale by the Fiat organization in Europe. It will do so up to 1986.

Thus, by the mid-'80s, Seat will be exporting 80,000 Fiat Pandas, 50,000 VW Polos and up to 50,000 of its own Ronda. Up to 20,000 other Seat models will be exported to the Canary Islands and its other markets outside the Iberian peninsula.

Imports top '81 total; domestics down a bit

October registrations edge upward

By Jenny L. King
Staff Writer

Registrations of new domestic and imported cars in October exceeded both September's total and the year-ago level. According to statistics compiled by R. L. Polk & Co., U. S. registrations (domestic and import combined) climbed for the fourth consecutive month in October and were fourth best thus far in calendar year 1982.

October, 1982, registrations amounted to 654,806, up 4.83 percent over 624,640 in September, and up 0.07 percent from 654,330 in October of 1981. Registrations of domestic-built cars totaled 459,711, up 7.63 percent from 427,132 in September. They were down 2.59 percent from 471,920 a year earlier, however.

Import registrations reached 195,095 in October, up 6.95 percent from 182,410 a year earlier. Their share of the U. S. market climbed to 29.79 percent from 27.88 percent, the new penetration setting a record for the month.

In October, Chrysler Corp. and the combined imports made gains in shares of the total, while American Motors, Ford Motor Co., General Motors and miscellaneous domestics took back seats to the action. Chrysler gained 0.63 percentage points, climbing to 8.74 percent from 8.11 percent a year earlier. Imports were up 1.91 percentage points.

GM was down to 44.76 percent from 45.79 percent, a difference of 1.03 percentage points. Ford was off 0.94 percentage points, to 15.75 percent from 16.69 percent. AMC dropped to 0.93 percent of the total from 1.47 percent, and the miscellaneous domestics were down to 0.03 percent from 0.06 percent.

Of the domestics-only market, GM earned 63.75 percent this October, up from 63.49 percent in 1981. Ford slipped to 22.44 percent from 23.14 percent. Chrysler had 12.45 percent, up from 11.25 percent, AMC earned 1.32 percent compared with 2.04 percent and miscellaneous domestics claimed 0.04 percent, down from 0.08 percent.

The market-class breakdown

Continued on Page 42, Col. 1

NEW-CAR MARKET SHARES IN U. S.

	OCTOBER					TEN MONTHS				
	Regis., Oct., 1982	Percent Share of Market	Regis., Oct., 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81	Regis., 10 months, 1982	Percent Share of Market	Regis., 10 months, 1981	Percent Share of Market	Pct. Pt. Change '82 vs. '81
Chevrolet	97,372	14.87	108,126	16.52	− 1.65	994,720	15.76	1,238,641	17.16	− 1.40
Oldsmobile	71,372	10.90	66,039	10.09	+ 0.81	624,735	9.90	708,141	9.81	+ 0.09
Ford	68,553	10.47	76,496	11.69	− 1.22	727,945	11.54	840,175	11.64	− 0.10
Buick	64,778	9.89	59,118	9.04	+ 0.85	573,042	9.08	607,286	8.41	+ 0.67
Pontiac	36,260	5.54	43,569	6.66	− 1.12	372,973	5.91	474,784	6.58	− 0.67
Mercury	25,330	3.87	27,485	4.20	− 0.33	258,920	4.10	290,131	4.02	+ 0.08
Cadillac	23,288	3.56	22,765	4.38	+ 0.08	188,063	2.98	182,055	2.52	+ 0.46
Dodge	21,946	3.35	22,972	3.51	− 0.16	200,653	3.18	266,285	3.69	− 0.51
Plymouth	18,401	2.81	25,155	3.84	− 1.03	199,643	3.16	291,661	4.04	− 0.88
Chrysler	16,896	2.58	4,946	0.76	+ 1.82	137,639	2.18	73,957	1.02	+ 1.16
Lincoln	9,262	1.41	5,215	0.80	+ 0.61	66,916	1.06	49,926	0.69	+ 0.08
AMC	6,081	0.93	9,649	1.47	− 0.54	71,183	1.13	114,570	1.59	− 0.46
GENERAL MOTORS	293,070	44.76	299,617	45.79	− 1.03	2,753,533	43.63	3,210,907	44.48	− 0.85
FORD MOTOR CO.	103,145	15.75	109,196	16.69	− 0.94	1,053,781	16.70	1,180,232	16.35	+ 0.35
CHRYSLER CORP.	57,243	8.74	53,073	8.11	+ 0.63	537,935	8.52	631,903	8.75	− 0.23
AMC	6,081	0.93	9,649	1.47	− 0.54	71,183	1.13	114,570	1.59	− 0.46
IMPORTS	195,095	29.79	82,410	27.88	+ 1.91	1,892,635	29.99	2,078,171	28.79	+ 1.20
MISCELLANEOUS	172	0.03	385	0.06	− 0.03	2,183	0.03	2,876	0.04	− 0.01
TOTAL	654,806		654,330			6,311,250		7,218,659		

Automotive News analysis of new-car registrations based on R. L. Polk & Co. statistical report.

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58th year — No. 4948

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in April at 965 E. Jefferson Avenue, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 740 Rush Street, Chicago, IL 60611.

Automotive World News

Birth of the 'baby Benz'

West Germans gush over new arrival

By Richard Feast
European Editor

On the day the new Mercedes-Benz 190/190E went on sale in West Germany it was easy to forget there was a recession. Showrooms were packed by people wanting to inspect the "baby Benz." Daimler-Benz shares on the Frankfurt stock exchange rose in anticipation of the big event.

Seldom in Europe has the launch of one car evoked so much public interest. It is part of D-B's mystique that it can stir such interest. Management likes to think of itself as a "quiet company," and clearly regards all the hype by its rivals as rather vulgar.

With little apparent motivation, the German public managed to work itself into a frenzy over the car that was developed under the code number W201. Previous new Mercedes models never had the same effect. This time it stems from the fact that it is a car in a new, smaller category, and from the company's amazing sales success through the most serious postwar recession.

But one part of the D-B myth does need correcting: that it is a small, specialist company. In 1981 it made 441,000 passenger cars and last year increased volume to 450,000. The total has gone steadily up throughout the past decade.

D-B volume may not be in the Toyota or General Motors league, but it is now a major car producer, with ambitious plans to reach 550,000 units a year when its Bremen factory is on stream.

The existence of the W201 has been an open secret for many years. According to Guntram Huber of D-B's research and development center, its origins date back to experimental models of 1960. Board Chairman Dr. Gerhard Prinz says the decision to go ahead with it came in early 1974, shortly after the 1973 (October) Middle East War.

Initial rumors suggested D-B would make a very small car in the Volkswagen Golf (Rabbit) category. But what D-B had in mind was not that small. The W201 emerges as 174 inches long, half an inch longer than Ford Sierra and 12 inches shorter than the Mercedes mid-range models. Its wheelbase is 105 inches, five less than the midsize.

It looks every bit a miniature S-class car, and the W123 mid-range looks old fashioned now. D-B's head of styling, Bruno Sacco, says the design for the midsize replacement is finished, although it is not expected to appear until the end of 1984; the car has been given the number W124.

Sacco also rejects questions about possible coupe, station wagon or other versions of the W201. It will last its entire life as a four-door, although he does not discount body variations for the car's successor in eight years' time.

The W201 is powered by a 2-liter four-cylinder, 90 HP engine with carburetor or a fuel-injected 122-HP version of the same engine. There will be other engine variations including diesels. When the car reaches the U. S. next October it will initially be as a 220E (gasoline) or 220D (diesel); neither model is currently available.

Weights of the European cars are only 2,380 to 2,425 pounds. Explains Guntram Huber: "Extensive use of high strength, low alloy sheet-metal and plastic material, new design methods and structural details to optimize body stiffness and extensive testing on the road and on the test rig made it possible to achieve weight savings of approximately 615 pounds compared with our middle class model."

Part of that weight saving—79 pounds—came from adoption of a complex multi-link independent rear suspension. Huber says the rear suspension was chosen only after extensive testing of eight different types and more than 70 individual variations. He says it provides comfort and handling qualities "which have not been achieved in this class before."

Great attention also was paid to air drag reduction; the 190 has a figure of 0.33. But Huber says, "We did not give the aerodynamicist the final word. We still retained the rain funnel in the A-pillar although it increased aerodynamic drag. But the additional safety of having a clean side window in rainy weather was considered to be much more important. Similarly, increasing the inclination of the windows decreases the aerodynamic drag, but at the same time increases the temperature in the interior when the sun is shining, thus decreasing the comfort for passengers."

The side windows are not fully flush as on the Audi 100, but the recess between frame and glass is only three millimeters.

At the end of 1982 the new car was being built at a rate of 160 a day in Sindelfingen, just outside Stuttgart. This will climb to 500 a day by April, for total production for the year of around 100,000.

Sindelfingen will be the home of the car until 1984, when production moves to Bremen. The factory in northern Germany, currently making the T-car version of the mid-range and van, will receive the major proportion of the company's $1.2 billion investment this year with fully modernized production facilities.

The delayed move to Bremen was caused in part by D-B's desire to use its facilities to the fullest. The company is aware that the new car will take sales from the mid-range, but is not saying to what degree.

Wolfgang Jacobi, Sindelfingen's plant manager, says the W201 production line features the full chassis tilting mechanism first pioneered with the S-class, to enable employes to assemble vehicles more easily. "It is an important human factor," he says.

Engines, gearboxes and all axles, including the complex rear unit, are built in highly automated plants at Unterturkheim, prior to final assembly at Sindelfingen.

In Germany the two new cars cost the equivalent of $10,500 and $11,500. Mercedes-Benz of North America officials say that cars destined for the U. S. will contain all the German extras as standard — air, automatic transmission, power steering, light alloy wheels, tinted glass—and will be priced around $25,000.

The 190/190E is a lighter, aerodynamic addition to the line-up of sedans with three-pointed stars. Its smooth exterior panels, windows and doors are almost completely flush with the overall body shape.

'No competitors in mind'

Dr. Gerhard Prinz, chairman of Daimler-Benz's board of management, says, "We have no particular competitors in mind for our new car. But we have no objections if our competitors have our car in mind."

The point had been made that the new 190/190E Mercedes-Benz occupies a market position similar to the new BMW 3-series.

Prinz says D-B has tried to bring S-class qualities to a compact car: "The suspicion was that we were able to produce only large cars — large cars by European standards. We wanted to prove that we could make a smaller car (with the same qualities)."

But he dismisses any suggestion D-B passenger cars will move into even smaller, more popular categories. "That would not be a Mercedes-Benz," he says.

Prinz says introducing the 190/190E is the biggest single step D-B has made. "No project in our history has demanded more expenditure," he says.

D-B production plans call for a slow, steady expansion rather than a sudden 100,000 capacity increase. Over the next few years the company will edge up output. "History shows we have always been anti-cyclical. We always increase production in spite of worldwide recessions," Prinz reflects.

D-B's investment program includes some $1 billion in Germany. It is part of a five-year investment program, which when announced in 1980 was estimated to amount to $4 billion.

The company—the biggest corporate tax payer in the EEC—has financial reserves to pay for such programs. One observer likens D-B to a bank rather than an auto company.

Dazzling display in a down market

German auto makers keep pumping out new products

By Richard Feast
European Editor

West Germany's auto industry knocked them in the aisles last fall with a dazzling display of new products.

First on stage was Ford Sierra, jointly developed in Germany and the UK. It was quickly followed by Audi 100 and Opel Corsa, the latter designed and developed in Germany, although made in Spain.

Now coming on stage are the new generation BMW 3-series, Daimler-Benz's long awaited 190/190E and Audi's four-wheel-drive 80 sedan. They arrive one year after the Opel Ascona (J-car), which improved General Motors' fortunes across Europe.

In the words of DRI Europe's latest forecast, "This record of product development has helped the industry to survive a very difficult domestic market in 1982."

West Germany's sales of passenger cars in the domestic market the first three-quarters of 1982 were 7.6 percent lower than a year earlier. They stood at 1.69 million and at one stage seemed to be heading below the 2 million mark for the year. As it turns out, the year-end figure is expected to be around 2.15 million, lowest total since 1975 and far short of the 2.62 million achieved only three years earlier.

With half a million sales taken out of the market in such a short space of time, the industry's only salvation was exports. Volkswagen's Audi Division is a good example. Its domestic market share fell from 9.4 percent in 1979 to 5.6 percent last year, but the Ingolstadt and Neckarsulm factories maintained reasonably constant production levels thanks to exports.

On the other hand, two German companies defied the downward trend by increasing output and lifting their presence in the domestic market. Daimler-Benz's share of German sales edged up to finish around 10.7 percent in 1982; the figure equals Ford's, whose products occupy a cheaper, larger market segment. BMW's 1982 market share rose to 5.9 percent.

Both companies are expanding passenger car capacity. In D-B's case it is with the W201 facility at the greatly expanded Breman factory. With BMW, a third auto making factory at Regensburg will ease production problems elsewhere.

While the German industry is

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